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SUBJECT: RFE/RL ENERGY FORUM REFLECTS LACK OF EUROPEAN  
CONSENSUS ON ENERGY

11. SUMMARY AND COMMENT: Radio Free Europe/Radio Liberty (RFE/RL) hosted a two-day Energy Forum in Prague October 23-24. The Forum addressed a wide range of tough issues related to European energy security, including Iran, how companies influence energy policy, the role of the European Commission and national governments versus investors, human rights and energy, as well as regional issues within Europe (Central Asia, Baltics, Central and Eastern Europe). The Energy Forum provided a good venue for a much-needed non-government dialogue on EU energy security. While the event drew serious and diverse participants from across sectors (parliamentarians, private sector, think tanks, journalists) and countries (U.S., Russia, Central and Eastern Europe), there was a glaring and unfortunate absence of representatives from Western Europe (e.g., French and German) and from southeast Europe. This was most glaring on the "Energy Security in Europe" panel, which consisted entirely of representatives from the U.K., a Russian, and a Romanian. Perhaps as a result of this gap in participation, as well as the ambitious agenda for the two-day event, the Forum was more talk than conclusion. Nonetheless, the debates and exchange of opinions provided valuable insight into just how unalarmed Europe seems about energy security the further west you go, and just how difficult, or even insurmountable, it would be to forge a common EU policy on energy. END SUMMARY AND COMMENT.

12. This report is based on econoff's participation in three segments: Gas and Oil -- Alternative Supply Routes to Europe; Energy Security in Europe; Central and Eastern European Energy Security. For details on program content, participants, and selected texts, please visit [www.rferl.org](http://www.rferl.org).

13. Czech Prime Minister Mirek Topolanek gave the opening remarks, in which he called on the EU to reduce its energy dependence on Russia through diversification, bluntly stating that Russia was using energy as a tool for geopolitical gains. He pointed to nuclear energy as the future of Europe (NOTE: Nuclear energy is a lot less controversial in the Czech Republic than in other parts of Europe, but with the Greens entering Parliament for the first time this year, government backing for nuclear energy is no longer a foregone conclusion for even the Czechs. END NOTE.)

14. The session entitled "Gas and Oil -- Alternative Supply

Routes to Europe: Business or Politics, a Chance or a Threat?" (moderated by CSIS Senior Fellow Ed Chow with panelists from Russia, Belarus, and Slovakia) focused on the proper role of governments versus investors. The moderator asked whether the January 1, 2006 gas shut off from Russia to Ukraine was a wake-up call for Europe, or has Europe simply hit the "snooze button?" The most outspoken were the two Russian panelists. Former Russian Deputy Foreign Minister Sergei Krylov asked whether Europe should be more afraid of Russia or of Germany, given the latter's growing distribution power. Artem Malgin from the Moscow State University for International Relations (MGiMO) described the attitudes in Europe as "inevitable," due to the strengthening of Russian companies, and cautioned against those central and eastern European elements who are being unhelpful in politicizing the energy situation in Europe. Dmitry Mironchik from the Government of Belarus said the EU did not seem ready for a partnership with Russia, and based on results of President Putin's visit to Lehti, Finland, the EU did not even seem ready for a dialogue.

15. The "Energy Security in Europe" session, moderated by Edward Lucas of The Economist with three panelists from the U.K. and one each from Romania and Russia, was a rather academic survey of panelist opinions without much by way of conclusion or consensus. Chris Cragg from UK's Energy Economist focused on the infrastructure needs for Europe, given that 85% of oil rigs in the world were over 25 years old. Julian Lee from the U.K. Center for Global Energy Studies quibbled that such ideas as "pipelines for peace" were not realistic, saying that pipelines do not lead to understanding. John Roberts from UK's Platts Energy attributed European energy security (or lack thereof) to the uncertainty of European demand, Russians who consume as much as the EU but with just one third of the population, and lack

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of coordination in European energy policy which lacks a single voice.

16. The session on "Central and Eastern European Energy Security" was moderated by Reka Szemerkenyi of Hungary and featured panelists from the U.S., Poland, Latvia, and Russia. Latvian Parliamentarian Vaira Peagle delivered an eloquent speech about a dangerous kind of nationalism in the European energy sector, remarked that pipelines are more important than missiles in European foreign policy, and lamented that European energy policy seemed to be based more on national energy interests rather than on energy values. Russian journalist Andrei Meshcherin questioned the benefits of the Energy Charter and said European cooperation with Russia on energy should be part of a larger economic cooperation. Polish Parliamentarian Pawel Zalewski said that in Poland, energy security was treated as a core security policy issues and called for solidarity and a common energy policy in Europe. Former U.S. Ambassador to Lithuanian Keith Smith attributed the growing tension between the East and the West to the growing state control and decreasing transparency in the Russian energy sector. Turning to the EU, Smith asked, if Article 82 of the Rome Treaty can be applied against Microsoft for bundling its music software with its Windows program, why are Gazprom and Transneft allowed to continue their anti-competitive behavior which hurts European consumers?

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